MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know further from the Law Member if in case an offence has been proved before the Magistrate, there is any provision that the offender should not be punished beyond Rs. 500.?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*). He cannot be punished with a fine of Rs. 501. He can be punished only up to Rs. 500 unless there is some other provision in other laws. I may also mention, Sir, that there is a similar provision in the Travancore Companies Regulation. The penalty fixed there varies from Rs. 5 to Rs. 1000.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): I have nothing more to add.

The amendment was by leave withdrawn.

The question that clauses 25 to 27 do form part of the Bill was then put and carried.

The clauses were added to the Bill.

Clause 28.

The following amendment was not moved.

Mr. K. P. NILAKANTA PILLAI:

Clause 28, sub clause (4): Add the following at the end of the clause.

"Provided the legislature has approved the same"

The question that clauses 28 and 29 do stand part of the Bill was then put and carried and the clauses were added to the Bill.

Preamble.

The question that the preamble do form part of the Bill was then put and carried.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I beg to move that the Bill as settled now be taken up and passed at a subsequent meeting.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I second it. The motion was carried.

THE TRAVANCORE INSOLVENCY BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I beg to present the report of the Select Committee on the Travancore Insolvency Bill, and beg to move that the Bill as reported be taken up for consideration.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I second it.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Sir, I have to point out one thing about this. This is an important piece of legislation. We were anxiously awaiting the report of the Select Committe. It was only a few days ago that it was put into our hands. We had no time to study the Bill in its entirety. If the House thinks there is no urgency about this Bill and requires better consideration, I submit that the consideration of the Select Committee report may be postponed. We have already got an Insolvency Regulation. It is imperfect. And it is that that has necessitated this Bill. But with the existing Bill, we will be able to carry on some sort of bankruptcy

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[Mr. S. Krishna Pillai.]

administration. It is not going to keep in any way the administration of the insolvency estate at a stand still. The imperfection will continue for some time more. Anyhow instead of trying to improve the imperfection with other imperfections it will be better to take up the matter after full consideration. Personally, I am of opinion that it is not urgently necessary. I formally move that the consideration of this Bill be postponed under Standing Order 26.

MR. K. P. MADHAVAN PILLAI (*Shertallai*) : I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I oppose it. Sir, the Bill is very urgently needed. As a matter of fact, it has been found that the Insolvency Regulation, against all the expectations of the legislature, is working quite contrary to what was intended. As matters stand now, it is only a weapon for fraud, which may be used by any fraudulent debtor. If the House agrees, it is my desire to proceed with this Bill as expeditiously as possible.

MR. S. KRISHNA PILLAI (*Karunagaplli*) : When was the report finally drafted? And when was it published? Should we not have time to study it?

PRESIDENT : I put the question whether the Bill should be postponed or not. If it is postponed, it means that it will have to go to the new Council.

The question that the Bill be postponed was then put and negatived.

The House adjourned for lunch at 1-47 P. M. and re-assembled at 2. 30 P. M., the Deputy President presiding.

THE TRAVANCORE INSOLVENCY BILL.

The following amendments were not made :

Mr. K. P. Nilakanta Pillai :

Clause 4.

1. Clause 4, Sub-clause (1) ; Delete the proviso.

Clause 7.

2. Clause 7 : Delete the Explanation.

Clause 9.

3. Clause 9, Sub-clause (1), part (*c*) : for the words "three months" substitute the words "two years".

Clause 42.

4. Clause 42, Sub-clause (1), part (*b*) : Substitute the words "two" for the word "three" in line 3.

Clause 54.

5. Clause 54, Sub-clause (1), : Substitute the word "two years" for the words "three months" in line 7.

Clause 84.

6. Clause 84 : Delete the clause.

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Clauses 1 to 84.

The question that clauses 1 to 84 do stand part of the Bill was put to vote and carried.

The clauses were added to the Bill.

The Preamble was then put and carried.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I beg to move that the Bill as settled by the Council be taken up at a subsequent meeting and passed.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I second it.

The motion was carried.

THE TRAVANCORE CHITTIES REGULATION AMENDMENT BILL.

DEPUTY PRESIDENT: Dr. Kunjan Pillai was addressing the House on the last occasion when we were discussing the Bill. He will now continue.

RAO SAHIB DR. N. KUNJAN PILLAI (*Census Commissioner*): If I remember right, Sir, I referred to the observations of some members that already there was provision for the postponement of chitties, in the present Regulation itself and that therefore the Regulation need not be amended for that purpose. Anyhow, Sir, if that be so, it clearly show that the principle of the Bill before the House does not go against the principle of the Regulation now in force.

Sir, in the course of the evidence that was collected by the Economic Depression Enquiry Committee, doubt was expressed by several witnesses about the possibility of chitties being postponed under the existing Regulation. The main object of the present Bill is, I think, to clear that doubt and to make a specific provision enabling the postponement of chitties. The question as to what proportion of the subscribers should agree for the postponement if it is to be given effect to is a matter of detail. The Law Member has provided that a majority of two-thirds, *by number*, of the subscribers should suffice for the chitty being postponed. Some of my friends on the other side want a three-fourths majority, *by value*, to be insisted upon. Whether it should be two-thirds or three-fourths, whether it should be by number or by value, it is all a question of detail. I may say that the majority of witnesses examined by the Economic Depression Enquiry Committee were in favour of a majority by number rather than by value. The reason they gave was this. In most chitties, the subscribers would be scattered all over the country and they might be indifferent to meetings, convened by the foremen for the purposes of postponement, even if they were given timely notice. They may, in most cases, even forget all about the meeting. Many might not turn up for the meeting which is to decide whether the chitty is to be postponed or not. The result would be that a few interested subscribers may carry their object for the mere reason that they happen to be owners of three-fourths of the value of the chitty. On the other hand, if a majority by number is

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